



# STATE OF THE NAVAJO NATION ADDRESS

PRESIDENT JOE SHIRLEY, JR.

PRESENTED TO THE

21<sup>ST</sup> NAVAJO NATION COUNCIL

JANUARY 26, 2009

**M**r. Speaker, Navajo Nation Council Delegates, Mr. Chief Justice, Vice President Shelly, relatives and friends, *Ya'at'eeh!* I wish each and every one of you and your families a happy, healthy, and prosperous New Year.

Honorable delegates, it is always an honor to share with you our accomplishments of the first quarter of the year, our challenges and vision for the Navajo Nation.

This holiday season and New Year was made better for many of our elderly, our families, and our children through the generous donation of our good friend, Mr. Patrick Byrne, CEO and founder of Overstock.com. Once again, Mr. Byrne unselfishly donated \$25,000 to the Navajo Nation to purchase turkeys this past Christmas so that many Navajo families whom might otherwise go without could enjoy a holiday meal. In addition, I'm grateful to the Happy Factory of Cedar City, Utah, for its generous donation of more than 4,000 toys to the Navajo Nation.

Navajo Nation First Lady Vikki Shirley and our executive staff spent many days traveling across Navajoland to deliver the turkeys and toys to families in remote areas. This huge charitable undertaking was coordinated with the Division of Social Services, Division of Health, the Navajo Nation DUI Task Force, and the Navajo Police Department's STEPP Team. I also want to recognize the charitable works of our Division of Public Safety and the several officers who volunteered their time and resources to collect toys for the annual Toys for Tots activities.

It is through selfless volunteer deeds like these that many needy Navajo children can experience the joy of receiving a gift at Christmastime, and many Navajo families can know the



delight of a shared holiday meal. Caring for others in this way demonstrates the true meaning of the holiday season.

I want to congratulate our chapter and other local officials on their election or re-election to public office, and on their recent inaugurations. As all of us here know, public service is a great honor and a great trust. It is my hope and belief that each official will do the very best he or she can to make the right decisions for our communities and schools, for no less is expected or deserved.

Further, Vice President Shelly and I, our wives, Speaker Morgan and several delegates among you had the distinct honor of representing the Navajo Nation at the inauguration of President Barack Obama and Vice President Joe Biden on Tuesday. As you no doubt saw on television, the record-breaking inauguration shows how President Obama's election has restored a sense of pride in our country for millions of Americans. For Navajos, this was perhaps the most important election since President Kennedy occupied the Oval Office. Many of us have not felt such a sense of renewed hope and joyful anticipation at the promise of a new President, and we trust that our voices will at last be heard at the top level of government.

The Navajo People believe in President Obama's call for change in our country. His inspiring statement of belief conveys the same thought taught to generations of Navajos that there are no impossibilities in life. Our grandparents have always told us "*T'áá hó ájít'éegó*," and President Obama's election shows how true that teaching is and remains. It speaks to Native nations in our determination to do for ourselves, to regain the independence that was lost so long ago, and to hold on to our beloved homelands, languages, sacred songs, ceremonies, and ways of life.

With this renewed sense of hope, we have worked hard in the hope of taking advantage of the \$825 billion economic and infrastructure stimulus package that President Obama has proposed for the country. Under the leadership of Sharon Clahchishchillie, Executive Director of the Navajo Nation Washington Office, we have prepared and submitted a \$2.9 billion stimulus package on behalf of the Navajo Nation. I thank the members of the Intergovernmental Relations Committee for their valued input and approval of the request submitted to the Obama-Biden Transition Team and the 111<sup>th</sup> Congress.

While I believe the heart of the Obama Administration is with us, as always, we must begin by telling others who the Navajo People are, and how we live, that Navajoland is the largest among Native nations, equal in size to the New England states of Connecticut, Rhode Island,



Massachusetts and Vermont. We need them to know that within the vast space of our homeland are too few employers for our people, thousands of miles of rough dirt roads that are traveled daily, and inadequate means of communication. As other Americans deal with the national financial crisis in their ways, more than half of our families still heat their homes with wood they cut themselves, drink water hauled in barrels in pickup trucks, while many of our students do their homework each night by the light of kerosene and gas lanterns.

Our people's wealth is not measured by what's in a savings or retirement account but by what's in their sheep corral or held in a border town pawn shop. Still, our people need an income, a home and a vehicle, and most struggle as best they can to make their payments. Ironically, the Navajo Nation is at the geographic center of the fastest-growing region of the United States. We are at the very crossroads of Albuquerque to the east and Las Vegas to the west, Denver to the north and Phoenix to the south. We are a corridor for energy, for food products, for manufactured goods, and for national defense. Railroad cars and interstate highways carry untold cargo and passengers along our boundaries. Truck stops, depots and train stations just beyond our reach to realize any benefit are laden with prosperity meant for others. We are encircled by more national parks and tourist destinations than anyplace else in the country.

No place and no people are more deserving of the help an economic stimulus program could provide than Navajos. In the past, when American farmers received federal subsidies, Navajos received federal livestock reduction that dispirited every family. When we see American financial institutions and auto makers receive multi-billion dollar federal bailouts to fix problems of their own making, Navajos recall a federal law that halted home repairs and the slightest development for 40 years, and another that forced 10,000 of our most traditional people to relocate from their homes to resolve a problem they did not cause.

For these reasons, the stimulus package we submitted includes immediate funding for the Former Bennett Freeze recovery. In October of 2007, I informed you that I appointed several individuals to serve on the Executive Branch Rehabilitation Task Force. These individuals are responsible to work closely with our local community officials and members, the Navajo-Hopi Land Commission, and includes representatives from the Office of Navajo and Hopi Indian Relocation, the Navajo Housing Authority, Bureau of Indian Affairs, the Indian Health Service, and the Division of Community Development.



Now, I report to you that after nearly 15 months, a comprehensive recovery plan has been prepared based on public meetings and single family resident surveys. The plan includes a comprehensive infrastructure and utility needs assessment, health care and police and fire buildings, and other essential community facilities. The recovery plan is based on the projected needs of the nine affected chapters covering more than 1.6 million acres of land. I thank the task force members for their diligence and hard work. The next and far more challenging phase in this process is implementation of the plan. By working together, we will be one step closer to eliminating the misery and hardship our people have endured for four decades.

The solution for our immediate and long-term needs is economic development. Our people want work, and they need work. More often than not they must leave their homeland to find it. That is not as it should be. If Navajos are to remain on Navajoland so that our children continue to speak our language, live our culture and practice our way of life, we must work on our economic development.

For this reason, we are exploring ways to capture tourist dollars. The Navajo Parks and Recreation Department has worked to develop plans for major improvements to our Nation's existing parks and monuments. The goal is to create well-designed, serviceable park facilities that meet world-wide travelers' expectations. That, in turn, will provide substantial benefits to the local economy and the Navajo Nation government. The Department's priorities are the Monument Valley and Antelope Point tribal parks, which see the most visitors each year.

Recently, I had the honor of participating in the grand opening of "The View" hotel at Monument Valley. I commend the hard work of the Navajo Parks and Recreation Department, owner Armanda Ortega-Gordon, and ARTSCO, Incorporated, for bringing this important development project to us. The project includes the expansion and upgrade of the Visitors Center, road improvements, and toll booth, among other improvements. The Parks and Recreation Department is now developing a new administrative park building and parking lot, park maintenance building, and staff housing. The phase II development requires additional funding, and it is my hope that we can work together to identify the necessary funding to complete all phases of this important economic development project.

Further, on November 19, 2008, the Navajo Nation Gaming Enterprise opened the *Fire Rock Navajo Casino* to overwhelming numbers and unexpected success. Beyond the goal of



generating revenue for the Nation is putting Navajos to work. I'm pleased to report that the Gaming Enterprise tells us that the casino employs more than 310 workers, exceeding original employment projections by 10 percent. Payroll, including employee benefits, exceeds \$6.8 million. More than 91 percent of the employees are *Diné*.

During the development of the casino, the Enterprise and its contractor and subcontractors did business with numerous Navajo-owned companies to provide opportunities for these businesses. The Enterprise hired Navajo-owned companies for its casino development and architecture services, public relations, marketing design, and website development. For office, gift shop and appliances, supplies were all provided by Navajo-owned companies. Even locally-grown mutton, lamb and beef is being obtained from a Navajo-owned company for the casino restaurants. The casino has arranged to allow Navajo artists to display their artwork on consignment. All told, this is a wonderful example of how our enterprises and Navajo business owners can work together for the benefit of our Nation and our people. It is my hope that this approach will be repeated at our future casinos.

With the huge success of the *Fire Rock Casino*, the Enterprise Board of Directors recently approved the immediate expansion of the casino to include an additional 260 slot machines and a roulette game. The Enterprise is moving forward on other casino developments, and now is in the process of assessing essential infrastructure information.

Since the departure of our former regulatory director, my office has worked diligently to identify a new director as expeditiously as is possible. We've advertised nationwide and, as a result, have a number of qualified individuals interested in serving as our gaming regulatory director. Once interviews are scheduled and a selection made, I will seek the support of the Government Services and Economic Development Committees and will likely request a special session of the Council for confirmation. During this interim period, Ms. Lisa Tom has risen to the challenge to serve as our acting regulatory director. She has done a tremendous job, and I thank her for accepting this huge responsibility to ensure regulatory compliance of our casino. Without the regulatory arm, casino operations cannot function. Ms. Tom has served the Regulatory Office and the Nation well, and it is my hope that, in time, we will see her become our regulatory director.

I am also pleased to inform you that on January 12 former Arizona Governor Janet Napolitano signed our gaming compact amendments. These amendments are critically important



because they clarify that Navajo does not lose a facility by the transfer of gaming rights devices. They also make the transfer pool system work better for all tribes.

I commend the Intergovernmental Relations Subcommittee on Gaming for its hard work on the amendments, and for its collaborative efforts with the Arizona Indian Gaming Association. I also want to recognize the hard work of our outside gaming counsel, Mr. Stephen Hart of the Lewis and Roca Law Firm, for his diligence and legal advice to the Navajo Nation as we become major players in the Native gaming industry.

Another major accomplishment for the Nation is the recent completion of the Rights-of-Way Extension Agreement with the El Paso Natural Gas Company. The Navajo Nation and El Paso successfully negotiated an agreement to extend El Paso's existing natural gas pipeline rights-of-way, facilities and land leases for compressor stations until October 17, 2025, which will bring the Nation \$350 million. El Paso has already paid millions of dollars to the Navajo Nation in rights-of-way consideration, has contributed \$150,000 to the Navajo Nation Scholarship Program, and an annual contribution of \$50,000 to the scholarship program will continue.

The negotiation was a complex, difficult, and lengthy one which began in September of 2004. Beyond persistence and tenacity, both parties demonstrated professionalism, and their good faith efforts enabled this agreement to be reached. The Resources Committee provided valuable guidance to the negotiating team on the resolution of key issues and approved the agreement unanimously on January 7. I commend the Committee for its oversight and guidance to the negotiation team during this process. I also commend Attorney General Louis Denetsosie, Division of Natural Resources Director Arvin Trujillo, and Minerals Department Director Aktar Zaman, for their diligence and hard work to finish this important agreement.

Still further, while revenue projections from various economic and resource development projects are promising, as everyone here is aware the Navajo Nation has been negatively impacted by the national and international financial crisis. The country recently learned that our current recession is more than a year old. The Dow Jones Industrial Average plummeted, setting off fears of the deepest national recession since the 1980s. The financial damage has been devastating to individuals, financial institutions, investment managers, and other investors with global losses of approximately \$29 trillion.



Though Wall Street is far from the Navajo Nation and far from the minds of most Navajos, we are far from untouched by what is occurring. Over the past months of the crisis, the Navajo Nation's Trust Portfolio has declined in market value by \$295 million. After historic highs in oil prices driven by speculation, we're seeing those prices nosedive as well. The price of oil has fluctuated from a peak of \$130 a barrel down to less than \$38 a barrel.

As I reported last quarter, this unpredictability makes the Navajo Nation highly vulnerable to a funding shortfall in this fiscal year. But we are not alone. All across the United States, state and municipal governments have drastically cut their operating budgets. According to the national Center on Budget and Policy Priorities, 45 states have reduced services, including public health programs, elderly and disabled persons programs, and primary and higher education funding. Fourteen states have increased taxes or taken other revenue raising measures, and governors in four more states have proposed new tax increases. New Mexico Governor Bill Richardson ordered cutbacks in state spending to help offset a projected budget shortfall of more than \$454 million. Arizona legislative analysts predicted a budget shortfall of \$1.6 billion for this fiscal year. The City of Phoenix announced a historic budget cut of more than \$270 million, leaving that city's police, fire departments, parks and libraries with 15-to-60 percent cuts in their operating budgets. Closer to home, Coconino County officials predict a \$1.7 million shortfall in tax collections and state-shared revenues. Apache County has cut \$600,000 from its budget.

In total, the financial situation affecting everyone means a likelihood of reduced state and county services to the Navajo Nation and its people. The Navajo Nation, too, must begin to identify ways to address the ensuing budget shortfall. First quarter revenue collections indicate that we must plan for a \$33.5 million shortfall. I cannot emphasize enough the severity of this situation. My office is currently exploring various options which include spending restrictions and across-the-board cuts from among the three branches of government.

Members of the Council, I do not support tampering with the Permanent Fund or other trust funds such as the Land Acquisition Trust, Education Fund or the Veterans Fund to cover this funding shortfall. My office will provide recommendations to the Budget and Finance Committee for appropriate action in short order.

I thank you and hope you have a successful and productive Winter Session.